



Compilation of Turnover Cost Studies

\$8.00 per hour employee in the USA.



Sasha is the only consulting group articulating this simple fact: Turnover costs are misleading. The value of keeping one front line employee is many times greater than the cost of losing one, because turning someone into a 20-year employee can save 10, 20 or more 'turns' on a front line job: \$100,00 or more.

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Source	Turnover cost, \$8 / hr. employee	Documentation - Supporting material	Web location (links checked Jan 2007)
Society Human Resource Management	\$3,500.00	Uncovering turnover costs can be a wake-up call, as it was for Walter Kalinowski, director of HR for a company with 53 truck plazas. "We were hiring 200 employees per pay period. It was out of control. We had trouble finding people." After hiring a consultant, he discovered his per-employee turnover cost was \$3,500.	
Coca-Cola Retailing Research Council	\$3,637.00	A major study of the employee turnover problem in the supermarket industry estimated total direct and indirect costs of replacing a supermarket cashier earning \$6.50 per hour was at least \$3,637.	Click for Article
American Management Association	\$4,000.00	The cost of hiring and training a new employee can vary from 25 percent to 200 percent of annual compensation. Costs include customer service disruption, emotional costs, loss of morale, burnout/absenteeism among remaining employees, loss of experience, continuity, and "corporate memory."	Click for Article
American Hotel and Motels Association	\$4,100.00	" well-known industry figures of \$2,500 for direct and \$1,600 for indirect turnover costs per departing employee. "	
American Management Association	\$4,800.00	30 % of annual salary	
Advance Online - Merion Publications	\$5,333.00	According to the U.S. Department of Labor, it costs one-third of a new hire's annual salary to replace them.	

Direct costs include advertising, sign on bonuses, headhunter fees and overtime. Indirect costs include recruitment, selection and training and decreased productivity while current employees pick up the slack.

Cornell University Hotel School	\$5,688.00	Front desk Employee - Hotel - Miami	
Legislative Update, Alaska State Senator Kim Elton	\$8,000.00	Hiring and training a new employee can cost from 50 to 200 percent of the position's annual salary.	
Superb Staff Services	\$8,000.00	For a call center the most conservative direct-cost estimate of replacing each employee, which includes costs associated with recruitment, orientation, training, and ramp-up speed, was 50% of the annual salary.	Click for Article
Hay Group study	\$8,000.00	the cost of replacing workers range from six months of an hourly worker's salary to 18 months salary of a professional employee.	
Workforce Magazine - FAX Facts Survey on Employee Turnover	\$ 10,000.00	45% of responding companies indicated that turnover costs are more than \$10,000 per employee.	
Cornell University Hotel School study	\$ 11,609.00	Front desk Employee - Hotel - NYC	
Saratoga's Human Resource Financial Report	\$ 16,000.00	Average turnover cost equals one year's salary and benefits. This can vary widely depending on industry, with costs much higher for retail.	
<i>Bliss & Associates Inc., Wayne, NJ consulting firm</i>	\$ 24,000.00	Costs of lost productivity are as important as direct costs such as advertising or temporary staff. Total costs easily reach 150% of the annual compensation. The cost will be significantly higher (200% to 250%) for managerial and sales positions.	
Louisiana State University Staff Senate	\$ 25,000.00	Protective services includes police officers, correction staff, guards, Wildlife and Fisheries employees. They face adversities which create high turnover rates. Turnover costs are about \$25,000 per vacancy.	
Average Turnover Cost, \$8.00 /HR Employee :	\$9,444.47		
Avg turnover costs, \$8.00 an hour employee, using only the lowest 10 of 15 estimates,	\$5,505.80		

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